

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2012
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 31 2013

**Franklin Parish Police Jury
Winnsboro, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2012
With Supplemental Information Schedules**

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Required Supplemental Information (Part I)
Management's Discussion and Analysis

Franklin Parish Police Jury
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2012
(Unaudited)

As management of the Franklin Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2012. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Franklin Parish Police Jury's basic financial statements. The police jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Franklin Parish Police Jury's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Franklin Parish Police Jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Franklin Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of

the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Franklin Parish Police Jury maintains 23 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Workforce Investment Act, the Road and Bridge, Drainage Maintenance, Parish Equipment, CDBG - Acquisition/Elevation and Sales Tax special revenue funds, which are considered to be a major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Franklin Parish Police Jury adopts an annual appropriated budget for the General Fund and all special revenue funds. Budgetary comparison schedules are provided in the Required Supplemental Information (Part II) for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information concerning the Franklin Parish Police Jury. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information section.

Government-Wide Financial Analysis As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the Franklin Parish Police Jury exceeded liabilities by \$25,127,738. Of those net position, \$18,381,730 represents the police jury's investment in capital assets net of accumulated depreciation. These assets are not available for future spending. The remaining net position are made up of bank balances, receivables, and prepaid assets.

Statement of Net Position		
Assets	2012	2011
Cash and cash equivalents	\$5,864,251	\$4,580,887
Receivables	3,145,602	2,771,082
Prepaid assets	4,140	4,389
Capital assets (net)	<u>18,381,730</u>	<u>18,767,185</u>
Total Assets	<u>\$27,395,723</u>	<u>\$26,123,543</u>
Liabilities		
Bank overdraft		\$8,289
Accounts payable	\$322,300	\$293,848

Salaries payable		\$23,025
Payroll withholding payable	\$78,573	66,599
Compensated absences payable	116,028	115,526
Capital leases payable	96,829	277,982
Due to others	20,000	20,000
Net OPEB obligation	1,243,218	1,151,409
Deferred revenues - Protest taxes	391,037	387,782
Total Liabilities	<u>\$2,267,985</u>	<u>\$2,344,460</u>
Net Position		
Invested in capital assets, net of related debt	\$18,284,901	\$18,489,203
Unrestricted	<u>6,842,837</u>	<u>5,289,880</u>
Total Net Position	<u>\$25,127,738</u>	<u>\$23,779,083</u>

Financial Analysis of the Government's Funds Franklin Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2012, combined governmental fund balances of \$8,202,083 showed an increase of \$1,645,268 over December 31, 2011. The General Fund's balance of \$280,239 showed a decrease of \$53,485 from the 2011 balance of \$333,724.

Budgetary Highlights

GENERAL FUND - The differences in revenues were due to increases in federal funds, fire insurance rebate, other revenue and operating transfer in and a decrease in severance taxes. Expenditures required an increase in finance and administrative, public safety, public works, and health and welfare.

WORKFORCE INVESTMENT ACT - There were no amendments to the budget.

ROAD AND BRIDGE - The differences in revenues were due to increases in sales tax, other state funds, use of money and property, other revenues and other financing sources. Expenditures required an increase in public works and capital outlay.

SALES TAX - The differences in revenues was a decrease in sales tax. Expenditures required a decrease in public works.

DRAINAGE MAINTENANCE - The differences in expenditures required an increase in public works and a decrease in capital outlay. Revenues required a decrease in ad valorem taxes, federal grants and other revenue and a decrease in state revenue sharing.

PARISH EQUIPMENT - The differences in expenditures required an increase in public works. Revenues required an increase in ad valorem taxes, federal grants and other revenue.

ACQUISITION-ELEVATION - There were no amendments to the budget.

Capital Asset and Debt Administration

Capital Assets. The Franklin Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$18,381,730 (net accumulated depreciation). This investment includes land, buildings and improvements, infrastructure roads and bridges, and furniture and equipment. The increase in capital assets for the year was \$1,081,557. Reductions in capital assets for the year ended December 31, 2012 were \$317,356.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at 12/31/12 relating to compensated absences totaling \$116,028. At the end of the fiscal year, the Franklin Parish Police Jury also had debt outstanding, in the form of leases, of \$96,829, which will be paid in full within four years. During the year ended December 31, 2012, \$111,637 of debt was paid in accordance with the debt agreement. The Franklin Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2012 is \$1,243,218.

Requests for Information

This financial report is designed to be a summary of the Franklin Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Franklin Parish Police Jury, at 6558 Main Street, Winnsboro, Louisiana 71295. Our telephone number is (318) 435-9429.

MARY JO FINLEY, CPA, INC.

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Independent Auditor's Report

Franklin Parish Police Jury
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Franklin Parish Police Jury, as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Franklin Parish Police Jury's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Police Jury's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2012

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data of all of the Police Jury's legally separate component units. Accounting principles generally accepted in the United State of America require the financial data for all component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the Police Jury as of December 31, 2012, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Police Jury as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, the budgetary comparison information on pages 35 through 39, and the schedule of funding progress for the retiree healthcare plan on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2012

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Franklin Parish Police Jury's primary government. The accompanying supplemental information and other information, as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying supplemental information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the primary government's basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the primary government's basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated June 28, 2013, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Police Jury's internal control over financial reporting and compliance.



West Monroe, Louisiana
June 28, 2013

Basic Financial Statements

Statement A

**Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Activities
Statement of Net Position
December 31, 2012**

Assets	
Cash and cash equivalents	\$5,864,251
Receivables	3,145,602
Prepaid assets	4,140
Capital assets (net)	<u>18,381,730</u>
Total Assets	<u>\$27,395,723</u>
Liabilities	
Accounts payable	322,300
Payroll withholding payable	78,573
Compensated absences payable	116,028
Capital leases payable	96,829
Due to others (damage deposit)	20,000
Net OPEB obligation	1,243,218
Deferred revenues - protest taxes	<u>391,037</u>
Total Liabilities	<u>\$2,267,985</u>
Net Position	
Invested in capital assets, net of related debt	\$18,284,901
Unrestricted	<u>6,842,837</u>
Total Net Position	<u>\$25,127,738</u>

See accompanying notes to basic financial statements.

Statement B

Franklin Parish Police Jury
Winnsboro, Louisiana
Statement of Activities
For the Year Ended December 31, 2012

Functions:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$3,016,993	\$323,326	\$45,774		(\$2,647,893)
Public safety	495,978		\$142,792		(353,186)
Public works	5,997,647	6,579	2,773,161	913,409	(2,304,498)
Health and welfare	377,505	1,335	46,726		(329,444)
Culture and recreation	100,506	58,992			(41,514)
Economic development and assistance	3,228,057		3,163,859	15,594	(48,604)
Total governmental activities	\$13,216,686	\$390,232	\$6,172,312	\$929,003	(5,725,139)
General revenues:					
Taxes:					
Ad valorem taxes					2,777,778
Sales taxes					3,761,248
State revenue sharing					178,206
Fire insurance rebate					74,172
Other taxes, penalties, and interest					13,025
Grants and contributions not restricted to specific programs					93,830
Licenses and permits					133,961
Unrestricted investment earnings					53,267
Gain (Loss) on disposal of assets					11,666
Total general revenues					7,097,153
Change in net position					1,372,014
Net position at beginning of year					23,755,724
Net position at end of year					\$25,127,738

See accompanying notes to basic financial statements.

Statement C

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Balance Sheet December 31, 2012

	General	Road and Bridge	Drainage Maintenance	Parish Equipment	Sales Tax	Acquisition Elevation	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and equivalents	\$327,099	\$1,180,100	\$338,262	\$691,952	\$1,207,373	\$306,907	\$1,812,558	\$5,864,251
Receivables	304,442	463,479	739,465	537,971	97,417		1,002,828	3,145,602
Prepaid assets				4,140				4,140
Due from other funds	83,567	39,049	22,694	240	200,000		31,403	376,953
Total Assets	\$715,108	\$1,682,628	\$1,100,421	\$1,234,303	\$1,504,790	\$306,907	\$2,846,789	\$9,390,946
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$31,037	\$50,482	\$36,524	\$21,677	\$88,090		\$94,490	\$322,300
Payroll withholdings payable	78,573							78,573
Due to other funds	292,409	9,020		772	47,643		27,109	376,953
Due to others (damage deposits)		20,000						20,000
Deferred revenues - protest taxes	32,850		103,597	75,332			179,258	391,037
Total Liabilities	434,869	79,502	140,121	97,781	135,733	NONE	300,857	1,188,863
Fund Equity - fund balances:								
Non-spendable		20,000		4,140				24,140
Restricted:								
Other General Government							765,419	765,419
Health and welfare							403,394	403,394
Public safety							678,148	678,148
Public works		1,583,126	960,300	1,132,382	1,369,057		492,637	5,537,502
Economic development							166,583	166,583
Committed							36,957	36,957
Assigned						\$306,907	2,794	309,701
Unassigned	280,239							280,239
Total Fund Equity - fund balances	280,239	1,603,126	960,300	1,136,522	1,369,057	306,907	2,545,932	8,202,083
Total Liabilities and Fund Balances	\$715,108	\$1,682,628	\$1,100,421	\$1,234,303	\$1,504,790	\$306,907	\$2,846,789	\$9,390,946

See accompanying notes to basic financial statements.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Position
December 31, 2012**

Total fund balance - governmental funds (Statement C)		\$8,202,083
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources		18,381,730
Long term liabilities:		
Compensated absences payable	(\$116,028)	
Capital leases payable	(96,829)	
Net OPEB obligation	(1,243,218)	(1,456,075)
Net position of governmental activities (Statement A)		<u>\$25,127,738</u>

See accompanying notes to basic financial statements.

Statement D

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012

	General	Workforce Investment Act	Road and Bridge	Drainage Maint	Parish Equipment	Sales Tax	Acq Elevation	Other Governmental Funds	Total Governmental Funds
REVENUES									
Taxes:									
Ad valorem	\$234,831			\$840,164	\$611,234			\$1,091,549	\$2,777,778
Sales			\$2,492,475			\$1,243,773		25,000	3,761,248
Other taxes, penalties, and interest	13,025								13,025
Licenses and permits	133,961								133,961
Intergovernmental revenues:									
Federal funds	160,435	\$3,163,197	139,522	448	326		2,515,166	386,548	6,365,642
State funds:									
Severance taxes	93,830								93,830
Fire insurance rebate	52,041							22,131	74,172
State revenue sharing	17,411			58,183	42,329			60,283	178,206
Parish transportation			284,910						284,910
Other	105,922		53,700						159,622
Fees, charges, and commissions for services	73,160					6,579		93,906	173,645
Fines and forfeitures								233,842	233,842
Use of money and property	2,646		11,316	3,612	6,599	11,631		17,463	53,267
Other	5,863		223,278	29,469	5,248			10,028	273,886
Total revenues	<u>893,125</u>	<u>3,163,197</u>	<u>3,205,201</u>	<u>931,876</u>	<u>665,736</u>	<u>1,261,983</u>	<u>2,515,166</u>	<u>1,940,750</u>	<u>14,577,034</u>
EXPENDITURES									
Current:									
General government:									
Legislative	114,886								114,886
Judicial	67,848							222,722	290,570
Elections	28,216								28,216
Finance and administrative	199,707								199,707
Other							2,144,609	195,452	2,340,061
Public safety	266,229							110,591	376,820
Public works	213,037		2,217,457	848,564	270,187	1,130,607		301,668	4,981,520

Health and welfare	61,030						196,371	257,401
Culture and recreation	16,191						36,473	52,664
Economic development and assistance	38,140	3,163,197					26,720	3,228,057
Debt service					68,292		62,892	131,184
Capital outlay			600,598	3,195	35,002	63,650	267,475	969,920
Total expenditures	<u>1,005,284</u>	<u>3,163,197</u>	<u>2,818,055</u>	<u>851,759</u>	<u>373,481</u>	<u>1,130,607</u>	<u>2,208,259</u>	<u>12,971,006</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(112,159)</u>	<u>NONE</u>	<u>387,146</u>	<u>80,117</u>	<u>292,255</u>	<u>131,376</u>	<u>306,907</u>	<u>1,606,028</u>
OTHER FINANCING SOURCES (Use)								
Operating transfers in	59,794			50,000			6,120	115,914
Proceeds from disposal of assets			39,240					39,240
Operating transfers out	<u>(1,120)</u>						<u>(114,794)</u>	<u>(115,914)</u>
Total other financing sources (use)	<u>58,674</u>	<u>NONE</u>	<u>39,240</u>	<u>50,000</u>	<u>NONE</u>	<u>NONE</u>	<u>(108,674)</u>	<u>39,240</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USE	<u>(53,485)</u>	<u>NONE</u>	<u>426,386</u>	<u>130,117</u>	<u>292,255</u>	<u>131,376</u>	<u>306,907</u>	<u>1,645,268</u>
FUND BALANCES - BEGINNING	<u>333,724</u>		<u>1,176,740</u>	<u>830,183</u>	<u>844,267</u>	<u>1,237,681</u>	<u>NONE</u>	<u>6,556,815</u>
FUND BALANCES - ENDING	<u>\$280,239</u>	<u>NONE</u>	<u>\$1,603,126</u>	<u>\$960,300</u>	<u>\$1,136,522</u>	<u>\$1,369,057</u>	<u>\$306,907</u>	<u>\$8,202,083</u>

See accompanying notes to basic financial statements.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2012**

Net change in fund balances - total governmental funds (Statement D)	\$1,645,268
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	 (265,006)
The issuance of long term debt (lease) and payments on the leases are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carries to the statement of net position.	111,637
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(91,809)
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(27,574)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(502)</u>
 Change in net position of governmental activities (Statement B)	 <u><u>\$1,372,014</u></u>

See accompanying notes to basic financial statements.

Notes to the Financial Statements

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

Introduction

The Franklin Parish Police Jury is the governing authority for Franklin Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2016.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the police jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Franklin Parish consist of the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

- a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Franklin Parish:		
Library	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Assessor	December 31	2 & 3
Clerk of Court	June 30	2 & 3
Sheriff	June 30	2 & 3
Communications District	December 31	1 & 3
Hospital Service District No. 1	December 31	1 & 3
Sewerage District No. 1	June 30	1 & 3
Sewerage District No. 2	December 31	1 & 3
Elam Sewer District	December 31	1 & 3
Fire District No. 2	December 31	1 & 3
Fire District No. 3	December 31	1 & 3
Fire District No. 4	December 31	1 & 3
Fifth Judicial District Criminal Court	December 31	3
Crowville Fire District	December 31	1 & 3

Considered in the determination of component units of the reporting entity were the Franklin Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Franklin Parish Police Jury reporting entity

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Franklin Parish Police Jury.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Franklin Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

These primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the Fifth Judicial District Criminal Court, Fire District No. 2, Fire District No. 3, Fire District No. 4, Elam Sewer District and the Franklin Parish Tourist Commission.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

The police jury reports the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Franklin Parish Community Action Association, Incorporated, which administers the program under contract with the

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

police jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

The Road and Bridge Fund accounts for the construction, repair, and maintenance of roads and bridges on a parish wide basis. Financing is provided by ad valorem taxes, state revenue sharing, Parish Transportation Act funds, and operating transfers from the General Fund.

The Sales Tax Fund accounts for the payments made for the garbage pick-up in Franklin Parish. Financing is provided by a one-half cent sales tax paid on purchases made in Franklin Parish.

The Drainage Maintenance Fund accounts for maintenance of storm drainage systems and watershed programs in the parish. Financing is provided by ad valorem taxes.

The Parish Equipment Fund accounts for acquisition and maintenance of police jury equipment. Financing is provided by a parishwide ad valorem tax.

The Acquisition Elevation Fund accounts for acquisition of buyout properties. Financing is provided by federal grants.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The police jury has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Investments for the police jury are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All property tax receivables are shown net of an allowance for uncollectibles. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31st. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General:			
Outside municipalities	3.52	3.70	Indefinite
Inside municipalities	1.76	1.85	Indefinite
Equipment	7.84	8.25	2017
Health Unit	3.16	3.29	2019
Drainage maintenance	10.77	11.34	2017
Road equipment and salary adjustment	4.19	4.33	2018

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Courthouse maintenance	3.92	4.13	2017
Fire district 2	10.42	10.53	2015
Fire district 3	10.37	14.74	2017
Fire district 4	10.20	10.59	2019

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2012 assessed valuation (amounts expressed in thousands):

	<u>2012 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Regency Intrastate	\$8,741	8.51%
ETC Tiger Pipeline, LLC	4,274	4.16%
Perryville Gas Storage	3,989	3.88%
Entergy Louisiana, Inc.	3,012	2.93%
Tennessee Gas Pipeline Co.	1,852	1.80%
Columbia Gulf Transmission	1,733	1.69%
Northeast Louisiana Power Coop	1,595	1.55%
ANR Pipeline Company	1,306	1.27%
Winnsboro State Bank	1,241	1.21%
Bellsouth Telecommunications	<u>1,130</u>	<u>1.10%</u>
Total	<u>\$28,873</u>	<u>28.10%</u>

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2012 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure roads and bridges	20 - 40 Years
Buildings and building improvements	10 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Heavy equipment	5 - 10 Years
Other equipment	5 - 10 Years

F. Annual and Sick Leave

After one year of service, employees of the police jury are granted from 5 to 20 days of annual leave each year, depending upon length of service. Upon resignation or retirement an employee will be compensated for annual leave accumulated to the date of separation, not to exceed 90 days. Any days over 90 will be credited to their retirement. Employees are granted one day of sick leave for each month of continuous employment and can accumulate up to 90 days sick leave. Employees are not compensated for accumulated sick leave upon separation of service.

Criminal court employees earn from 5 to 10 days of annual leave each year. Sick leave is granted to employees on an as needed basis. Neither annual leave nor sick leave may be accumulated. Employees are not paid for unused annual and sick leave upon separation of service.

The Franklin Parish Tourist Commission has no employees and, therefore, no annual and sick leave policies.

At December 31, 2012, employees of the police jury had accumulated and vested \$116,028 of employee leave benefits, computed in accordance with GASB Codification C60. The liability is recorded within the general long-term obligations account group.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the various funds when leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

G. Sales Taxes

On January 19, 2002, voters of the parish approved the renewal of a one-half of one per cent sales and use tax which is dedicated for the purpose of solid waste collection and disposal. The renewal tax is for a period of five years beginning December 1, 2003, and ending November 30, 2008. On November 14, 2009, voters of the parish approved the renewal of a ½ % sales and use tax for a period of 5 years. On January 19, 2002, voters of the parish approved the renewal of a one per cent sales and use tax which is dedicated for the construction, operation, and maintenance of roads and bridges within the parish. The renewal tax is for a period of ten years beginning July 1, 2003, and ending June 30, 2013. The police jury entered into an agreement with the Franklin Parish School Board whereby the school board provides collection services for a pro rata fee of the total based on taxes collected by the school board.

On March 5, 1985, as provided by Louisiana Revised Statute 33:4574, the police jury levied a two per cent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax are used by the Franklin Parish Tourist Commission for the purpose of promoting tourism in the parish. The Franklin Parish School Board collects and remits the taxes, net of collection costs, to the police jury.

H. Fund Balances

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the police jury classifies governmental fund balances as follows:

- ***Non-spendable*** - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- ***Restricted*** - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internal imposed by the police jury through formal action of the police jury itself and does not lapse at year-end.
- *Assigned* - Includes fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted or committed. Fund balance can be assigned by the Secretary/Treasurer.
- *Unassigned* - includes fund balance amounts within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

2. CASH AND EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the police jury has cash (book balances), in total of \$5,864,251, consisting of demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2012, are secured in total as follows:

Bank Balances	<u>\$6,060,133</u>
Federal deposit insurance	\$585,013
Pledged securities (uncollateralized)	<u>6,177,587</u>
Total	<u>\$6,762,600</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

3. RECEIVABLES

The receivables of \$3,145,602 at December 31, 2012, are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Total
Taxes:				
Ad valorem	\$198,338	\$2,112,541		\$2,310,879
Sales		292,321		292,321
Alcoholic Beverage	3,014			3,014
Federal grants	\$65,777	\$52,247	\$36,015	\$154,039
State grants	33,410	323,523		356,933
Accounts and other	3,903	24,513		28,416
Total	\$304,442	\$2,805,145	\$36,015	\$3,145,602

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/12 is as follows:

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$326,766	\$63,650		\$390,416
Construction in progress	91,650	219,520		311,170
Assets under Capital Lease	208,466		(\$111,637)	96,829
Total capital assets not being depreciated	<u>626,882</u>	<u>283,170</u>	<u>(111,637)</u>	<u>798,415</u>
Capital assets being depreciated:				
Infrastructure - roads	86,298,047	486,276		86,784,323
Infrastructure - bridges	3,366,140			3,366,140
Buildings and improvements	4,765,535			4,765,535
Improvements other than buildings	2,593,516			2,593,516
Office furniture and equipment	58,054	2,405		60,459
Heavy equipment	1,693,607	209,779	(173,773)	1,729,613
Other equipment	372,121	31,144	(2,706)	400,559
Vehicles	1,168,462	68,783	(29,240)	1,208,005
Total capital assets being depreciated	<u>100,315,482</u>	<u>798,387</u>	<u>(205,719)</u>	<u>100,908,150</u>
Less accumulated depreciation for:				
Infrastructure - roads	(73,704,812)	(713,545)		(74,418,357)
Infrastructure - bridges	(1,524,705)	(48,970)		(\$1,573,675)
Buildings and improvements	(3,218,728)	(119,063)		(3,337,791)
Improvements other than buildings	(1,447,270)	(111,001)		(1,558,271)
Office furniture and equipment	(58,054)	(481)		(58,535)

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

	<u>Balance January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31,</u>
Heavy equipment	(1,012,854)	(129,512)	151,599	(990,767)
Other equipment	(319,841)	(28,513)	2,706	(345,648)
Vehicles	(981,788)	(83,843)	23,840	(1,041,791)
Total accumulated depreciation	(82,268,052)	(1,234,928)	178,145	(83,324,835)
Total capital assets being depreciated (net)	<u>18,047,430</u>	<u>(436,541)</u>	<u>(27,574)</u>	<u>17,583,315</u>
Total capital assets (net)	<u>\$18,674,312</u>	<u>(\$153,371)</u>	<u>(\$139,211)</u>	<u>\$18,381,730</u>

Depreciation expense as of and for the year ended 12/31/12 was charged as follows:

	<u>Amount</u>
General government	\$34,198
Public safety	119,449
Public works (including depreciation on road infrastructure)	914,278
Health and welfare	119,158
Culture and recreation	<u>47,842</u>
Total	<u>\$1,234,925</u>

5. PENSION PLAN

Substantially all employees of the Franklin Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees, hired prior to January 1, 2007, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final three year average salary. Employees hired after January 1, 2007, who retire at or after age 55 with at least 30 years of service, at or after age 62 with at least 10 years of creditable service, or at or after age 67 with at least 7 years of creditable service are entitled to a retirement benefit, payable for life, equal to 3 percent of their final five year average compensation. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Franklin Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 15.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Franklin Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010, were \$188,942, \$194,923, and \$181,198, respectively, equal to the required contributions for each year.

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Franklin Parish Police Jury's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Fund Policy – Until 2009, the Franklin Parish Police Jury recognized the cost of providing post-employment medical benefits (the Franklin Parish Police Jury's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012 and 2011, the Franklin Parish Police Jury's portion of health care funding cost for retired employees totaled \$13,136 and \$10,272, respectively.

Effective January 1, 2009, the Franklin Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Franklin Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2012</u>
Normal cost	\$65,187
30-year UAL amortization amount	<u>60,288</u>
Annual required contribution (ARC)	<u>\$125,475</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the Franklin Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	2012	2011
Beginning Net OPEB Obligation	\$1,151,409	\$759,071
Annual required contribution	125,475	387,429
Interest on Net OPEB Obligation	46,056	15,181
ARC Adjustment	<u>(66,586)</u>	<u>0</u>
OPEB Cost	104,945	402,610
Contribution to Irrevocable Trust	0	0
Current year retiree premium	(13,136)	(10,272)
Change in Net OPEB Obligation	<u>91,809</u>	<u>392,338</u>
Ending Net OPEB Obligation	<u>\$1,243,218</u>	<u>\$1,151,409</u>

The following table shows the Franklin Parish Police Jury's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2012	\$104,945	12.52%	\$1,243,218
December 31, 2011	\$402,610	2.55%	\$1,151,409

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Funded Status and Funding Progress – In 2012 and 2011, the Franklin Parish Police Jury made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2012 was \$1,042,521 which is defined as that portion, as determined by a particular actuarial cost method (the Franklin Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$1,042,521
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	1,042,521
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	1,105,414
UAAL as a percentage of covered payroll	94.31%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Franklin Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Franklin Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Franklin Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)**

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees, but not for dependents, until age 65. The rates provided applicable before age 65 are "blended" rates. Since GASB 45 mandates that "unblended" rates be used, we have estimated the "unblended" rates active and retired before Medicare eligibility to be 130% of the blended rate and for retired on and after Medicare eligibility to be 80% of the blended rate. While there are not any current retirees, we have used these estimated rates as the basis of those rates applicable in the future subject to projection by medical trend as described below.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2012.

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	\$292,409	\$83,567
Special Revenue:		
Road and Bridge	9,020	39,049
Drainage Maintenance		22,694
Courthouse Maintenance		1,541
Health Unit Maintenance	9,912	5,197
Parish Equipment	772	240
Road Equipment & Salary Adjustment	2,230	
Criminal Court		29
Sales Tax	47,643	200,000
Section 8		6,085
Tourist Commission	1,858	977
Turkey Creek	1,747	32
Fire District No. 2	5,877	10,637
Fire District No. 3	2,464	
Fire District No. 4	3,021	6,905
Total	<u>\$376,953</u>	<u>\$376,953</u>

8. CAPITAL LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2012, the police jury has five capital leases in effect. The leases in effect are for an excavator, a trailer, a truck, a tandem roller and a dozer. The lease for the excavator has an original recorded amount of \$179,500. Lease obligation are retired from the police jury's parish equipment and road equipment and salary adjustment funds. This excavator was returned when the balloon payment became due. The second lease for the

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

trailer has an original recorded amount of \$40,250. Lease obligation are retired from the police jury's parish equipment and road equipment and salary adjustment funds. This lease was paid out during 2012. The third lease for the truck has an original recorded amount of \$89,500. Lease obligation are retired from the police jury's parish equipment and road equipment and salary adjustment funds. This lease was paid out during 2012. The fourth lease for the roller has an original recorded amount of \$59,000. Lease obligation are retired from the police jury's parish equipment and road equipment and salary adjustment funds. The fifth lease for the dozer has an original recorded amount of \$124,175. Lease obligation are retired from the police jury's parish equipment and road equipment and salary adjustment funds. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2012:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$180,448	\$8,781	\$189,229
2013	46,794	3,875	50,669
2014	39,485	1,524	41,009
2015	11,255	115	11,370
Present value of net minimum lease	<u>\$277,982</u>	<u>\$14,295</u>	<u>\$292,277</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2012:

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Total</u>
Long-term obligations at January 1 ST	\$115,526	\$277,982	\$393,508
Additions	51,416		51,416
Deductions	(37,485)	(111,637)	(149,122)
Adjustments ¹	<u>(13,429)</u>	<u>(69,516)</u>	<u>(82,945)</u>
Long-term obligations at December 31 ST	<u>\$116,028</u>	<u>\$96,829</u>	<u>\$212,857</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and to reflect the maximum accumulation of ninety days. The capital leases were adjusted due to agency deciding not to buyout capital leases.

10. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle risk of loss, the police jury maintains commercial insurance covering; automobile liability; general liability; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

11. WORKFORCE INVESTMENT ACT PROGRAM

The Workforce Investment Act Fund (WIA) accounts for federally funded job assistance programs designed to develop job skills for economically disadvantaged parishes of Richland, Franklin, Tensas, Madison, East Carroll, Caldwell, and Jackson. Funding is provided by the United States Department of Labor through the Louisiana Department of Labor. Funds are subsequently transferred to the administrative entity (subrecipient) for actual operation of the program.

12. FUND BALANCE REPORTING

The Police Jury segregates fund balances into different categories according to the level of constraint placed on how the fund balances can be spent in the future. Following is a description of what is included in these categories:

- *Non-spendable* - Prepaid assets are considered non-spendable.
- *Restricted* - The fund balances in the special revenue and capital projects funds are considered restricted as the sources of funding for these funds place restrictions on how these resources can be spent.
- *Committed* - The balance in Witness Fees and Unemployment Escrow are considered committed.
- *Assigned* - The remaining balance on construction contracts are considered assigned.
- *Unassigned* - Includes fund balance amounts within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

13. LITIGATION AND CLAIMS

At December 31, 2012, the police jury is involved in several lawsuits. Although the total amount of potential liability cannot be determined at this time, any damages awarded would be covered under the police jury's insurance. In the event there is an unfavorable outcome, the police jury's maximum loss would be limited to the insurance deductible amount. No provision for the potential liability has been made in the accompanying financial statements.

Required Supplemental Information (Part II)

**Franklin Parish Police Jury
Winnsboro, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2012**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and a notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2012, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
General Fund and Road Equipment and Salary Adjustment
For the Year Ended December 31, 2012

	<u>General Fund</u>				<u>Workforce Investment Act</u>		
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>					
Revenues							
Taxes:							
Ad Valorem	\$214,000	\$214,000	\$234,831	\$20,831			
Other taxes, penalties, & interest	16,000	16,000	13,025	(2,975)			
Licenses and permits	144,000	140,000	133,961	(6,039)			
Intergovernmental revenues:							
Federal funds	56,400	63,400	160,435	97,035	\$3,163,197	\$3,163,197	
State funds:					7	7	
Severance taxes	112,000	91,000	93,830	2,830			
Fire insurance rebate	54,500	74,500	52,041	(22,459)			
State revenue sharing (net)	17,000	17,000	17,411	411			
Other			105,922	105,922			
Fees, charges, and commissions for services	71,000	69,700	73,160	3,460			
Use of money and property	1,000	1,300	2,646	1,346			
Other revenue	1,300	68,979	5,863	(63,116)			
Total revenues	687,200	755,879	893,125	137,246	3,163,197	3,163,197	NONE
Expenditures							
Current:							
General government:							
Legislative	118,640	112,540	114,886	(2,346)			
Judicial	74,003	71,424	67,848	3,576			
Elections	42,550	46,300	28,216	18,084			
Finance and administrative	168,200	259,290	199,707	59,583			
Public safety	163,150	226,750	266,229	(39,479)			

Public works	150,000	213,037	(63,037)			
Health and welfare	61,165	73,545	61,030	12,515		
Culture and recreation	27,200	28,250	16,191	12,059		
Economic development and assistance	40,100	40,100	38,140	1,960	3,163,197	3,163,197
		1,005,28				
Total expenditures	695,008	1,008,199	4	2,915	3,163,197	3,163,197
Excess (Deficiency) of Revenues over Expenditures	(7,808)	(252,320)	(112,159)	140,161		NONE
Other Financing Source (Use)						
Operating transfer in	60,000	159,500	59,794	(99,706)		
Operating transfer out	(47,500)	(48,620)	(1,120)	47,500		
Total other financing source (use)	12,500	110,880	58,674	(52,206)		NONE
Net Change In Fund Balances	4,692	(141,440)	(53,485)	87,955		NONE
Fund Balance - Beginning	60,187	60,187	333,724	273,537	NONE	NONE
Fund Balance - Ending	\$64,879	(\$81,253)	\$280,239	\$361,492	NONE	NONE

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Road and Bridge and Sales Tax Funds
For the Year Ended December 31, 2012

	Road and Bridge				Sales Tax			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Taxes - Sales	\$2,200,000	\$2,478,000	\$2,492,475	\$14,475	\$1,250,000	\$1,238,000	\$1,243,773	\$5,773
Intergovernmental revenues -								
Federal funds			139,522	139,522				
State funds:								
Parish transportation	305,000	305,000	284,910	(20,090)				
Other		141,000	53,700	(87,300)				
Fees, charges, and commissions for services					6,000	6,000	6,579	579
Use of money and property		10,750	11,316	566	10,000	10,000	11,631	1,631
Other		185,120	223,278	38,158				
Total revenues	<u>2,505,000</u>	<u>3,119,870</u>	<u>3,205,201</u>	<u>85,331</u>	<u>1,266,000</u>	<u>1,254,000</u>	<u>1,261,983</u>	<u>7,983</u>
Expenditures								
Current - Public works	2,124,400	2,581,170	2,217,457	363,713	1,244,250	1,334,622	1,130,607	204,015
Capital outlay	375,000	546,783	600,598	(53,815)				
Total expenditures	<u>2,499,400</u>	<u>3,127,953</u>	<u>2,818,055</u>	<u>309,898</u>	<u>1,244,250</u>	<u>1,334,622</u>	<u>1,130,607</u>	<u>204,015</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,600</u>	<u>(8,083)</u>	<u>387,146</u>	<u>395,229</u>	<u>21,750</u>	<u>(80,622)</u>	<u>131,376</u>	<u>211,998</u>
Other Financing Use								
Proceeds from disposal of assets		53,576	39,240	(14,336)				
Net Change In Fund Balances	<u>5,600</u>	<u>45,493</u>	<u>426,386</u>	<u>380,893</u>	<u>21,750</u>	<u>(80,622)</u>	<u>131,376</u>	<u>211,998</u>
Fund Balance - Beginning	<u>1,039,390</u>	<u>1,039,390</u>	<u>1,176,740</u>	<u>137,350</u>	<u>1,290,000</u>	<u>1,290,000</u>	<u>1,237,681</u>	<u>(52,319)</u>
Fund Balance - Ending	<u>\$1,044,990</u>	<u>\$1,084,883</u>	<u>\$1,603,126</u>	<u>\$518,243</u>	<u>\$1,311,750</u>	<u>\$1,209,378</u>	<u>\$1,369,057</u>	<u>\$159,679</u>

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Drainage Maintenance and Parish Equipment Funds
For the Year Ended December 31, 2012

	Drainage Maintenance				Parish Equipment			
	Budgeted Amounts			Variance With Final Budget Positive (Negative)	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues								
Taxes - Ad valorem	\$700,000	\$773,000	\$840,164	\$67,164	\$410,000	\$573,000	\$611,234	\$38,234
Intergovernmental revenues -								
Federal grants		19,950	448	(19,502)		326	326	
State - State revenue sharing (net)	55,000	39,000	58,183	19,183	37,000	37,000	42,329	5,329
Use of money and property	3,000	3,500	3,612	112	3,650	3,650	6,599	2,949
Other	100	29,600	29,469	(131)		5,250	5,248	(2)
Total revenues	758,100	865,050	931,876	66,826	450,650	619,226	665,736	46,510
Expenditures								
Current - Public works	795,111	907,147	848,564	58,583	439,511	553,220	270,187	283,033
Debt service							68,292	(68,292)
Capital outlay	8,500	3,500	3,195	305	5,000	5,000	35,002	(30,002)
Total expenditures	803,611	910,647	851,759	58,888	444,511	558,220	373,481	184,739
Excess (Deficiency) of Revenues over Expenditures	(45,511)	(45,597)	80,117	125,714	6,139	61,006	292,255	231,249
Other Financing Source								
Operating transfer in	50,000	50,000	50,000					
Total other financing source	50,000	50,000	50,000	NONE	NONE	NONE	NONE	NONE
Net Change In Fund Balances	4,489	4,403	130,117	125,714	6,139	61,006	292,255	231,249
Fund Balance - Beginning	171,701	171,701	830,183	658,482	336,568	336,568	844,267	507,699
Fund Balance - Ending	\$176,190	\$176,104	\$960,300	\$784,196	\$342,707	\$397,574	\$1,136,52	\$738,948

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Acquisition/Elevation Fund
For the Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues -			
Federal funds	<u>\$2,515,166</u>	<u>\$2,515,166</u>	
Total revenues	<u>2,515,166</u>	<u>2,515,166</u>	<u>NONE</u>
Expenditures			
Current - other general government	<u>2,144,609</u>	<u>2,144,609</u>	
Capital outlay	<u>63,650</u>	<u>63,650</u>	
Total expenditures	<u>2,208,259</u>	<u>2,208,259</u>	<u>NONE</u>
Excess of Revenues over Expenditures	<u>306,907</u>	<u>306,907</u>	
Fund Balance - Beginning	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Fund Balance - Ending	<u>\$306,907</u>	<u>\$306,907</u>	<u>NONE</u>
(Concluded)			

**Franklin Parish Police Jury
Employee Health Care Plan
December 31, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2008	\$0	\$2,429,677	\$2,429,677	0.00%	\$958,232	253.56%
December 31, 2011	\$0	\$1,042,521	\$1,042,521	0.00%	\$1,105,414	94.31%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only two valuations are available. Additional information will be added after the next valuation. Subsequent to that, information will be presented for the latest three valuations.

Other Supplemental Schedules

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

The Courthouse Maintenance Fund accounts for maintenance of the courthouse building, equipment, and grounds. Financing is provided by a parishwide ad valorem tax and state revenue sharing funds.

The Health Unit Maintenance Fund accounts for maintenance of the parish health unit and the local share of the health unit operation. Financing is provided by ad valorem taxes and state revenue sharing funds.

WORKFORCE INVESTMENT ACT FUND

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Franklin Parish Community Action Association, Incorporated, which administers the program under contract with the police jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

ROAD EQUIPMENT AND SALARY ADJUSTMENT FUND

The Road Equipment and Salary Adjustment Fund accounts for purchases of equipment and annual compensation of employees of the parish. Financing is provided by ad valorem taxes, and state revenue sharing funds.

SECTION 8 HOUSING FUND

The Section 8 Housing Fund provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards the rent.

Assisted families are required to contribute up to 30 per cent of their adjusted family income towards rent. Funding is provided through the US Department of Housing and Urban Development.

WITNESS FEE FUND

The Witness Fee Fund was established to pay off-duty law enforcement officers. Financing is provided by fines paid by defendants who are found guilty.

CRIMINAL COURT FUND

The Criminal Court Fund accounts for all criminal court expenses. Financing is provided by criminal costs and fines.

TOURIST COMMISSION FUND

The Tourist Commission Fund accounts for the promotion of tourism within Franklin Parish. Financing is provided by a two per cent hotel/motel sales tax.

UNEMPLOYMENT ESCROW

The Unemployment Escrow Fund accounts for the jury's self-insurance program. Funds are provided by transfers from other funds.

FIRE DISTRICT NO. 2

The Fire District Fund No. 2 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 3

The Fire District Fund No. 3 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 4

The Fire District Fund No. 4 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

CAPITAL PROJECTS

CDBG FUNDS

The CDBG Funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities such as fire stations and equipment and water storage tanks and culture and recreation projects. Funding is provided by community development block grants from the U.S. Department of Housing and Urban Development through the Louisiana Office of the Governor - Division of Administration.

FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana

Other Governmental Funds

Combining Balance Sheet, December 31, 2012

	MAINTENANCE FUNDS	ROAD EQUIP & SALARY ADJ	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	TURKEY CREEK	FIRE DISTRICTS	CDBG FUNDS	TOTAL
ASSETS											
Cash and cash equivalents	\$743,033	\$264,125	\$3,870	\$5,923	\$24,321	\$166,231	\$30,648	\$7,295	\$566,926	\$186	\$1,812,558
Receivables	483,847	282,350		586	\$12,131	1,796			186,103	36,015	1,002,828
Due from other funds	6,738		6,085		29	977		32	17,542		31,403
TOTAL ASSETS	\$1,233,618	\$546,475	\$9,955	\$6,509	\$36,481	\$169,004	\$30,648	\$7,327	\$770,571	\$36,201	\$2,846,789
LIABILITIES AND FUND EQUITY											
Liabilities:											
Accounts payable	\$23,078	\$11,587	\$4	\$200	10,459	\$563		\$2,972	\$9,612	\$36,015	94,490
Due to other funds	9,912	2,230				1,858		1,747	11,362		27,109
Deferred revenue - protest taxes	67,788	40,021							71,449		179,258
Total liabilities	100,778	53,838	4	200	10,459	2,421	NONE	4,719	92,423	36,015	300,857
Fund Equity - fund balances:											
Restricted:											
Other General Government	739,397				26,022						765,419
Health and welfare	393,443		9,951								403,394
Public safety									678,148		678,148
Public works		492,637									492,637
Economic development						166,583					166,583
Committed				\$6,309			\$30,648				36,957
Assigned								2,608		186	2,794
Total Fund Equity - fund balances	1,132,840	492,637	\$9,951	\$6,309	26,022	166,583	\$30,648	2,608	678,148	186	2,545,932
TOTAL LIABILITIES AND FUND EQUITY	\$1,233,618	\$546,475	\$9,955	\$6,509	\$36,481	\$169,004	\$30,648	\$7,327	\$770,571	\$36,201	\$2,846,789

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2012**

	<u>MAINTENANC E FUNDS</u>	<u>ROAD EQUIP & SALARY</u>	<u>SECTION 8</u>	<u>WITNESS FEE</u>	<u>CRIMINAL COURT</u>	<u>TOURIST COMM</u>	<u>UNEMP ESCROW</u>	<u>TURKEY CREEK</u>	<u>FIRE DISTRICTS</u>	<u>CDBG FUNDS</u>	<u>TOTAL</u>
REVENUES											
Taxes:											
Ad valorem	\$549,733	\$320,798							\$221,018		\$1,091,549
Sales						\$25,000					25,000
Intergovernmental:											
Federal funds - grants	293	171	\$40,473							\$345,611	386,548
State funds:											
Fire insurance rebate									22,131		22,131
State revenue sharing	38,070	22,213									60,283
Fees, charges, and commissions for services				\$7,764		20,392		\$37,400	28,350		93,906
Fines and forfeitures					\$233,842						233,842
Use of money and property	7,544	2,815	146	57	132	1,469	\$300	30	4,970		17,463
Other revenues	85		6,253		3,690						10,028
Total revenues	<u>595,725</u>	<u>345,997</u>	<u>46,872</u>	<u>7,821</u>	<u>237,664</u>	<u>46,861</u>	<u>300</u>	<u>37,430</u>	<u>276,469</u>	<u>345,611</u>	<u>1,940,750</u>
EXPENDITURES											
Current:											
General government:											
Judicial				5,036	217,686						222,722
Other	194,971									481	195,452
Public safety									110,591		110,591
Public works		176,059								125,609	301,668
Health and welfare	143,991		52,380								196,371
Culture and recreation								36,473			36,473
Economic development and assistance						26,720					26,720

Debt service		49,192						13,700		62,892	
Capital outlay		25,549			2,405			20,000	219,521	267,475	
Total expenditures	<u>338,962</u>	<u>250,800</u>	<u>52,380</u>	<u>5,036</u>	<u>220,091</u>	<u>26,720</u>	<u>NONE</u>	<u>36,473</u>	<u>144,291</u>	<u>1,420,364</u>	
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>256,763</u>	<u>95,197</u>	<u>(5,508)</u>	<u>2,785</u>	<u>17,573</u>	<u>20,141</u>	<u>300</u>	<u>957</u>	<u>132,178</u>	<u>NONE</u>	<u>520,386</u>
OTHER FINANCING SOURCES (USE)											
Operating transfers in					5,000			1,120		6,120	
Operating transfers out	<u>(59,794)</u>	<u>(50,000)</u>		<u>(5,000)</u>						<u>(114,794)</u>	
Total other financing sources (use)	<u>(59,794)</u>	<u>(50,000)</u>	<u>NONE</u>	<u>(5,000)</u>	<u>5,000</u>	<u>NONE</u>	<u>NONE</u>	<u>1,120</u>	<u>NONE</u>	<u>NONE</u>	<u>(108,674)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	<u>196,969</u>	<u>45,197</u>	<u>(5,508)</u>	<u>(2,215)</u>	<u>22,573</u>	<u>20,141</u>	<u>300</u>	<u>2,077</u>	<u>132,178</u>	<u>NONE</u>	<u>411,712</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>935,871</u>	<u>447,440</u>	<u>15,459</u>	<u>8,524</u>	<u>3,449</u>	<u>146,442</u>	<u>30,348</u>	<u>531</u>	<u>545,970</u>	<u>186</u>	<u>2,134,220</u>
FUND BALANCES AT END OF YEAR	<u>\$1,132,840</u>	<u>\$492,637</u>	<u>\$9,951</u>	<u>\$6,309</u>	<u>\$26,022</u>	<u>\$166,583</u>	<u>\$30,648</u>	<u>\$2,608</u>	<u>\$678,148</u>	<u>\$186</u>	<u>\$2,545,932</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Maintenance Funds

Combining Balance Sheet, December 31, 2012

	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$520,179	\$222,854	\$743,033
Receivables	269,311	214,536	483,847
Due to other funds	<u>1,541</u>	<u>5,197</u>	<u>6,738</u>
TOTAL ASSETS	<u>\$791,031</u>	<u>\$442,587</u>	<u>\$1,233,618</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$13,897	\$9,181	\$23,078
Due to other funds		9,912	9,912
Deferred revenue - protest taxes	<u>37,737</u>	<u>30,051</u>	<u>67,788</u>
TOTAL LIABILITIES	51,634	49,144	100,778
Fund equity - fund balances:			
Restricted:			
Other general government	739,397		739,397
Health and welfare		<u>393,443</u>	<u>393,443</u>
Total Fund Equity - fund balances	<u>739,397</u>	<u>393,443</u>	<u>1,132,840</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$791,031</u>	<u>\$442,587</u>	<u>\$1,233,618</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Maintenance Funds

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2012**

	<u>COURTHOUSE MAINTENANCE</u>	<u>HEALTH UNIT MAINTENANCE</u>	<u>TOTAL</u>
REVENUES			
Taxes - Ad valorem	\$305,983	\$243,750	\$549,733
Federal grant	163	130	293
State funds - state revenue sharing	21,190	16,880	38,070
Use of money and property	5,261	2,283	7,544
Other revenues	85		85
Total revenues	<u>332,682</u>	<u>263,043</u>	<u>595,725</u>
EXPENDITURES			
Current - general government	194,971		194,971
Health and welfare		143,991	143,991
Total expenditures	<u>194,971</u>	<u>143,991</u>	<u>338,962</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>137,711</u>	<u>119,052</u>	<u>256,763</u>
OTHER FINANCING USE			
Operating transfers out		(59,794)	(59,794)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>137,711</u>	<u>59,258</u>	<u>196,969</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>601,686</u>	<u>334,185</u>	<u>935,871</u>
FUND BALANCES AT END OF YEAR	<u>\$739,397</u>	<u>\$393,443</u>	<u>\$1,132,840</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Fire District Funds

Combining Balance Sheet, December 31, 2012

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$173,331	\$207,409	\$186,186	\$566,926
Receivables	102,655	33,052	50,396	186,103
Due to other funds	<u>10,637</u>	<u></u>	<u>6,905</u>	<u>17,542</u>
TOTAL ASSETS	<u>\$286,623</u>	<u>\$240,461</u>	<u>\$243,487</u>	<u>\$770,571</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$4,640	\$1,657	\$3,315	\$9,612
Due to other funds	5,877	2,464	3,021	11,362
Deferred revenue - protest taxes	<u>58,880</u>	<u>11,332</u>	<u>1,237</u>	<u>71,449</u>
Total liabilities	<u>69,397</u>	<u>15,453</u>	<u>7,573</u>	<u>92,423</u>
Fund Equity - fund balances - restricted - public safety	<u>217,226</u>	<u>225,008</u>	<u>235,914</u>	<u>678,148</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$286,623</u>	<u>\$240,461</u>	<u>\$243,487</u>	<u>\$770,571</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - Fire District Funds

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2012**

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>TOTAL</u>
REVENUES				
Taxes - Ad valorem	\$114,885	\$41,783	\$64,350	\$221,018
State funds - Fire insurance rebate	8,984	4,282	8,865	22,131
Fees, Charges and Commissions for Services	28,350			28,350
Use of money and property	1,293	1,851	1,826	4,970
Total revenues	<u>153,512</u>	<u>47,916</u>	<u>75,041</u>	<u>276,469</u>
EXPENDITURES				
Current - public safety	59,458	12,458	38,675	110,591
Debt service	13,700			13,700
Capital outlay			20,000	20,000
Total expenditures	<u>73,158</u>	<u>12,458</u>	<u>58,675</u>	<u>144,291</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>80,354</u>	<u>35,458</u>	<u>16,366</u>	<u>132,178</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>136,872</u>	<u>189,550</u>	<u>219,548</u>	<u>545,970</u>
FUND BALANCES AT END OF YEAR	<u>\$217,226</u>	<u>\$225,008</u>	<u>\$235,914</u>	<u>\$678,148</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - CDBG Funds

Combining Balance Sheet, December 31, 2012

	<u>CDBG - NORTH FRANKLIN</u>	<u>CDBG - LASTEP - NORTH FRANKLIN</u>	<u>CDBG - WILDERNESS LANE</u>	<u>CDBG - IKE/GUSTA V</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$100	\$1	\$35	\$50	\$186
Receivables			4,690	31,325	36,015
TOTAL ASSETS	<u>\$100</u>	<u>\$1</u>	<u>\$4,725</u>	<u>\$31,375</u>	<u>\$36,201</u>
LIABILITIES AND FUND EQUITY					
Liabilities - accounts payable			\$4,690	\$31,325	\$36,015
Fund Equity - fund balances -assigned	<u>\$100</u>	<u>\$1</u>	<u>35</u>	<u>50</u>	<u>\$186</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$100</u>	<u>\$1</u>	<u>\$4,725</u>	<u>\$31,375</u>	<u>\$36,201</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Other Governmental Funds - CDBG Funds

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2012**

	CDBG - NORTH FRANKLIN	CDBG - LASTEP - NORTH FRANKLIN	CDBG - WILDERNESS LANE	CDBG - IKE/GUSTAV	TOTAL
REVENUES					
Federal grants	<u>\$25,047</u>		<u>\$74,256</u>	<u>\$246,308</u>	<u>\$345,611</u>
Total revenues	<u>25,047</u>	<u>NONE</u>	<u>74,256</u>	<u>246,308</u>	<u>345,611</u>
EXPENDITURES					
Other general government			481		481
Public works	25,047		73,775	26,787	125,609
Capital outlay				219,521	219,521
Total expenditures	<u>25,047</u>	<u>NONE</u>	<u>74,256</u>	<u>246,308</u>	<u>345,611</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>100</u>	<u>\$1</u>	<u>35</u>	<u>50</u>	<u>186</u>
FUND BALANCES AT END OF YEAR	<u>\$100</u>	<u>\$1</u>	<u>\$35</u>	<u>\$50</u>	<u>\$186</u>

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. The president receives \$1,200 per month, and the other jurors receive \$1,000 per month.

**FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana**

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2012**

Ricky Campbell (President)	\$14,400
Troy Hendry	12,000
Rawhide Robinson	12,000
Leroy Scott	12,000
Buddy Parks	12,000
James Harris	12,000
Joe Lewis	<u>12,000</u>
Total	<u><u>\$86,400</u></u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	FEDERAL EXPENDITURES
United States Department of Labor			
Passed through Louisiana Department of Labor			
Workforce Investment Act - Adult Program	17.258	N/A	\$141,607
Workforce Investment Act - Youth Activities	17.259	N/A	314,130
Workforce Investment Act - Dislocated Workers	17.260	N/A	42,552
ARRA Workforce Investment Act - National Emergency OJT	17.277	N/A	235,282
Disability Program Navigator	17.266	N/A	38,042
Total Department of Labor			<u>771,613</u>
United States Department of Health and Human Services			
Health Profession Opportunity Grant	93.093	N/A	2,391,584
Total United States Department of Health and Human Services			<u>2,391,584</u>
United States Department of Housing and Urban Development			
Direct program - Lower-Income			
Housing Assistance Program	14.149	N/A	40,473
CDBG - IKE/GUSTAV	14.228	Turkey Creek	65,313
CDBG - IKE/GUSTAV	14.228	Wisner Community	26,786
CDBG - IKE/GUSTAV	14.228	Boggy Bayou	85,534
CDBG - IKE/GUSTAV	14.228	Public Works	50,287
CDBG - IKE/GUSTAV	14.228	Bayou Macon Cutoff	15,333
CDBG - IKE/GUSTAV	14.228	Ash Slough	3,055
CDBG - Wilderness Lane	14.228	N/A	74,256
CDBG - North Franklin	14.228	N/A	25,047
Total Department of Housing and Urban Development			<u>386,084</u>
United States Department of Energy			
Energy Efficiency and Conservation Block Grant Program	81.128	EEA-1021	45,774
Total United States Department of Energy			<u>45,774</u>
United States Department of Transportation and Dev.			
Sign Replacement	20.205	H.006.503.6	95,052
Total United States Department of Transportation and Dev.			<u>95,052</u>
Delta Regional Authority			
DRA	90.200	LA-10247	15,594
Total Delta Regional Authority			<u>15,594</u>
United States Department of Homeland Security			
Hazard Mitigation Grant Program	97.036	N/A	28,876
Hazard Mitigation Grant - Acquisition/Elevation	97.039	1603n-041-0002	2,515,166
SHSP - 2008	97.067	2009-SS-T9-0059	200
SHSP - 2009	97.067	2009-SS-T9-0059	38,265
SHSP - 2010	97.067	2010-SS-T0-0043	65,459
Emergency Management Performance Grant	97.042	EMW-2011-EP-00058	10,518
Total United States Department of Homeland Security			<u>2,658,484</u>
United States Department of Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	1,457
Total United State Department of Interior			<u>1,457</u>
Total Federal Financial Assistance			<u>\$6,365,642</u>

FOOTNOTES:

- (1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.
- (2) The Workforce Investment Act Cluster is reported for the year ended June 30, 2012

Other Reports

**Independent Auditor's Reports on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent Auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance Government Auditing Standards**

**Franklin Parish Police Jury
Winnsboro, Louisiana**

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Parish Police Jury as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Franklin Parish Police Jury's basic financial statements, and have issued my report thereon dated June 28, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Franklin Parish Police Jury's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Police Jury's internal control. Accordingly, I do not express an opinion on the effectiveness of the Franklin Parish Police Jury's internal control.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

FRANKLIN PARISH POLICE JURY

Winnsboro, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 2012

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as findings 12-01 and 12-02 in the accompanying schedule of audit findings.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Police Jury's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Police Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana

June 28, 2013

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

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**Report on Compliance With Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

**Franklin Parish Police Jury
Winnsboro, Louisiana**

Report on Compliance for Each Major Federal Program

I have audited Franklin Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Franklin Parish Police Jury's major federal programs for the year ended December 31, 2012. Franklin Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Franklin Parish Police Jury's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Franklin Parish Police Jury's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Franklin Parish Police Jury's compliance.

Opinion on Each Major Federal Program

In my opinion, Franklin Parish Police Jury complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
With Requirements Applicable to Each Major
Program and Internal Control Over Compliance, etc.
December 31, 2012**

Other Matters

The results of my auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of Franklin Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Franklin Parish Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Franklin Parish Police Jury's internal control over compliance.

A deficiency in internal control over compliance exist when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

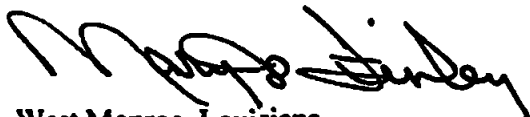
My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Franklin Parish Police Jury
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
With Requirements Applicable to Each Major
Program and Internal Control Over Compliance, etc.
December 31, 2012

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

I have audited the financial statements of Franklin Parish Police Jury as of and for the year ended December 31, 2012, and have issued my report thereon dated June 28, 2013, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



West Monroe, Louisiana
June 28, 2013

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Audit Findings
For the Year Ended December 31, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the Franklin Parish Police Jury.
2. No significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. Two instances of noncompliance material to the financial statements of the Franklin Parish Police Jury are reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Franklin Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Franklin Parish Police Jury are reported.
7. The Hazard Mitigation Program - Acquisition/ Elevation and Health Professional Opportunity Grant was tested as major programs and consisted of the following individual programs:

	<u>CFDA No.</u>
Hazard Mitigation Program - Acquisition/Elevation	97.039
Health Professional Opportunity Grant	93.093

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Franklin Parish Police Jury was determined to be a low-risk auditee.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
Schedule of Audit Findings (Continued)
For the Year Ended December 31, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

12-01 Need to Comply With Budget Act

Finding: The police jury did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the police jury amend an individual fund's budget when actual revenues and other sources to date plus projected amounts to year-end are failing to meet budgeted amounts by five percent or more and/or when actual expenditures and other uses to date plus projected amounts to year-end are exceeding budgeted amounts by five percent or more. The Section 8 fund budgeted revenues and other sources exceeded actual revenues by approximately 23%. Fire District No. 2 actual expenditures exceeded budgeted amounts by approximately 24%. The Fire District No.4 fund actual expenditures exceeded budgeted amounts by approximately 46%.

The police jury did not comply with the Local Government Budget Act. LSA-R.S. 39:1310(A) requires that in no event shall a budget amendment be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year. The police jury amended the general fund budget for total expenditures that were greater than estimated funds available which left a budgeted deficit fund balance.

Recommendation: Both management and the finance committee must have monthly financial statements with which to monitor and control expenditures. Because the police jury as a body is ultimately responsible for compliance with laws and regulations, the finance committee should take an active role in reviewing and monitoring financial activity and any budget deficiencies should be corrected.

Finding 12-02 Need to Comply With Ethics Code

Finding: The Fire District No. 4 board member was being paid to mow the fire district property. Louisiana Revised Statute (LSA-RS) 42:1113 provides, in part, that no member of a public servant's immediate family shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of the public servant. LSA-RS 42:1102 defines public servant as a public employee or an elected official. During the year ended December 31, 2012, the fire district paid the board member to mow the fire district property.

Recommendation: In the future, the fire district board should refrain from entering into, or allowing any board member to enter into, any transactions involving board members or their immediate families which would cause a violation of the above referenced statute.

**FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana**

**Schedule of Audit Findings (Continued)
For the Year Ended December 31, 2012**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT**

None

**FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2012**

11-1 Finding: The police jury did not comply with the Local Government Budget Act.

Recommendation: Budget comparisons should be monitored monthly to assure compliance with the Local Government Budget Act.

Status: The finding has not been corrected and is included in the current year Schedule of Audit Findings as Finding 12-01.

OFFICERS:

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Vice President
Buddy Parks
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Chaplin
James Harris
jurors@franklinparish.org



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OFFICERS:

Parish Superintendent
Greg Humphries
greg.fppj@bellsouth.net

Secretary Treasurer
Sam Wiggins
samwiggins@franklinparish.org

Director of Emergency Preparedness
Mitch Reynolds
mitchreynolds@franklinparish.org

June 28, 2013

Louisiana Legislative Auditors Office
Daryl Purpera, Legislative auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804

Mr. Purpera,

I am writing in response to the findings of the FY2012 audit performed by Mary Jo Finley, CPA, Inc. finding 12-01 regarding non-compliance with the Local Government Budget Act. The Franklin Parish Police Jury Finance Committee meets monthly to discuss the General Fund short falls. We are struggling with the mandates imposed by Criminal Court, Registrar of Voters, Emergency Management and the Clerk of Court. Only a legislation change could alleviate these issues. The General Fund is required to support an emergency preparedness director, his office, and make upfront payments for SHSPS purchases that are reimbursed after the fact. EMPG no longer supports the full salary and operations of the parish director which in turn creates another unexpected short fall in General Fund. Delays in the reimbursement process add to our shortfall also. The parish has not been forced to seek a loan to offset these issues. We will diligently seek alternative funding sources and continue to reduce our expenses any way possible.

Concerning the 5% variances, there were several mathematical errors that were not caught before finalizing the budget. Greater precaution will be taken in the future.

Regarding Fire District Four and finding 12-02: Board Member has been compensated for mowing fire district property for several years. Now that the ethics violation has been brought to our attention, the board member is no longer providing lawn care.

Sincerely,

Rickey Campbell
Parish President

District 1
Ricky Campbell

District 2
K. W. "Buddy" Parks

District 3
James Harris

MEMBERS:
District 4
Troy Hendry

District 5
Leroy Scott

District 6
WH "Rawhide" Robinson

District 7
Joe Lewis